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UNCLAS SECTION 01 OF 12 TOKYO 003099

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E.O. 12958: N/A

TAGS: [OIIP](#) [KMDR](#) [KPAQ](#) [PGOV](#) [PINR](#) [ECON](#) [ELAB](#) [JA](#)

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ARTICLES:

(1) Obama to strengthen alliance between U.S. and Japan; Tells Prime Minister in telephone conversation

YOMIURI (Page 1) (Excerpts)
Eve., November 7, 2008

Prime Minister Aso this morning held a 10-minute telephone conversation, his first, with President-elect Barack Obama from his office in the Kantei (Official Residence). The two agreed to strengthen alliance ties between Japan and the United States and to cooperate to deal with the global financial crisis. The Prime Minister expressed his desire to meet with Mr. Obama as quickly as possible.

The Prime Minister congratulated Mr. Obama for winning the presidential election, and he then stressed, "The first principle of Japan's diplomacy is to strengthen the Japan-U.S. alliance." He brought up the Afghanistan issue, North Korea's nuclear program, the abduction issue, while stressing, "I would like to closely cooperate on the various challenges that the international community now faces." Obama responded, "We will tackle the issues together, and I, too, would like to strengthen the alliance."

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(2) Obama wins U.S. presidency; Policy toward Japan unclear; Government expedites efforts to strengthen ties (with Obama transition team) in dealing with abduction, financial crisis, war on terror

RYUKYU SHIMPO (Page 2) (Full)
November 6, 2008

In the wake of Democratic Senator Barack Obama's victory in the U.S. presidential election, the government decided on Nov. 5 to strengthen relations with the Obama transition team to closely monitor the incoming administration's approach. The government wants to communicate with (the Obama team) at an early date in dealing with the North Korean nuclear and abduction issues, the war on terror in Afghanistan, the worldwide financial crisis, global warming, and other issues.

Chances are high that Obama, who is to take office after eight years of the Republican Bush administration, will appoint new persons as officers responsible for Asia policy, according a Japan-U.S. relations source. Building ties with the Obama side is likely to take time.

Chief Cabinet Secretary Takeo Kawamura said in a press briefing yesterday: "Mr. Obama puts high priority on Japan-U.S. relations." In response to an indication that Obama puts weight on dialogue in dealing with North Korea, Kawamura simply said: "We will make efforts to obtain strong support and understanding from Mr. Obama toward the policy of the Japanese government."

Obama even envisages a U.S.-DPRK summit. "We cannot sense to what extent he understands the abduction issue," a Foreign Ministry source said. The government intends to ask the United States not to lean overly toward dialogue before progress is made on the abduction issue.

Obama is also calling for the continuation of the Maritime Self-Defense Force's refueling mission in the Indian Ocean as part of Japan's assistance to Afghanistan. In July, the Bush administration conveyed its expectation to Tokyo that Japan would extend fiscal support worth about 2 trillion yen if it was difficult to dispatch SDF troops. Japan has not responded to it.

There is a possibility that the Obama administration will press hard Japan for greater contributions and that Prime Minister Taro Aso will find himself on the horns of a dilemma between foreign and domestic affairs. Regarding the issue of relocating Futenma Air Station to a site within the prefecture, as well, the next U.S. administration is likely to urge Japan to put an early end to the tempestuous coordination with affected municipalities as part of the realignment of U.S. forces in Japan. The new administration might also ask Japan to make greater financial contributions to the relocation of U.S. Marines from Okinawa to Guam which goes hand in hand with the Futenma relocation plan. The government is keeping a watchful eye (on the Obama team).

Obama has indicated that he would proactively address such issues as global warming and nuclear disarmament. Some in the Foreign Ministry think that Japan-U.S. relations will expand.

Reactions by political parties in Okinawa

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Liberal Democratic Party Okinawa chapter)

We want to see President-elect Obama exhibit strong leadership, Japan and the United States forge relations of greater trust, make efforts to resolve outstanding issues, and reorganize, reduce and realign the U.S. bases in the prefecture. We expect he will work hard to reduce the burden on the Okinawa public.

Social Democratic Party Okinawa chapter

Obama's victory has naturally resulted from the Bush administration's Iraq war and the failed financial and economic policies centered on market fundamentalism. Both the United States and Japan need change. We will be watching the Obama administration's departure from market fundamentalism and its security and Asia policies.

Japanese Communist Party Okinawa Committee

The election results reflect the public criticism of the Bush administration's domestic and foreign policies. Although Obama advocates change, he is calling for more troops to Afghanistan at the same time. Aiming to break away from the abnormal subjugation to the United States, we will fight while upholding the realignment of U.S. forces and opposition to building new bases.

New Komeito Prefectural Headquarters

The United States will have a black President for the first time in its history. It is an epoch-making event breaking the racial walls. We expect (the United States) will exercise leadership in assuaging concerns over the global financial turmoil and bringing about global peace by promoting the elimination of nuclear weapons under the new President. We also expect the settlement of Okinawa base issues, including the status of forces agreement and the realignment and reduction of bases here.

Democratic Party of Japan Okinawa chapter

The Bush maladministration that has entangled the world in the war of aggression and brought about the economic failure will now end. The LDP-New Komeito coalition that has blindly followed the United States will experience the agonies of death. In order to deal with President-elect Obama, who is intellectual and idealistic, Japan needs an Ozawa-led DPJ administration. The time of change has come to Japan as well.

Social Mass Party

It has been 63 years since the end of WWII, and U.S. bases still exist in Okinawa. The new President must realize the pain and suffering of people in Okinawa. The Japanese government should negotiate with the Obama administration on the elimination of U.S. bases in order to relieve Okinawa residents of the heavy weight of bases.

Sozo

A change of government is what the American people have hoped for. This wave of change is likely to have a direct impact on Okinawa, which hosts the bulk of U.S. bases (in Japan). It is necessary to

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closely watch how the prefectural government will deal with (the new U.S. administration).

People's New Party Okinawa chapter

We would like to see the incoming U.S. administration give impetus to the diplomacy and defense -- especially the realignment and reduction of U.S. forces in Okinawa -- of Japan and the United States. What the prefectural government expects of the winner of the U.S. presidential election will become clear.

(3) Japan may be pressed to end policy of prioritizing Japan-U.S. relations

MAINICHI (Page 9) (Full)
November 6, 2008

By Noriko Hama, professor at Doshisha University

The Bush administration has classified countries that agree to its policies as allies and countries opposed to them as enemies, as part of an America-first policy. In contrast, President-elect Barack Obama, who has advocated the need for change in the U.S., seems to be leaning toward multilateralism. Changes also may appear in Japan-U.S. relations. Even if Japan continues to label Japan-U.S. relations as the cornerstone of its foreign policy, as it has done in the days of the Bush administration, the situation could change in that attention will be no longer paid to Japan.

After assuming office in January, "President" Obama will be pressed to deal with such domestic challenges as containing the ongoing financial crisis and avoiding recession. Given this, Japan as a mature country in Asia should take measures to stabilize its economy and to support such emerging countries as Association of Southeast Asian Nations (ASEAN) countries. If Japan fails to become a presence that is relied on by other countries, the weight of their economic ties with Japan will drop.

Based on the conventional Democratic Party's policy stance, some observers expect Ozawa to take a protectionist stance in trade policy. Judging from the remarks Obama made in the campaign, however, I do not think he will move to destroy the WTO-centered multinational free-trade structure. Even so, under the gloomy economic situation in the U.S., protectionist pressure is certainly growing to protect domestic auto and other industries. How the Obama administration will be able to balance such problems will be a test of his abilities.

(4) Who is Japan's Obama? Gap in Japanese and U.S. political systems

TOKYO SHIMBUN (Page 22) (Full)
November 7, 2008

U.S. President-elect Barack Obama, a Democrat, is 47 years old. Feeling empathy for a young leader calling for "change," Americans have entrusted the control of their country to him. Will there be a generational change in Japanese politics, too? Who is Japan's Obama?

Akiyoshi Yamamura, a 48-year-old political journalist, said: "There are three Japanese politicians of Obama's general caliber, who are

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ambitious to become prime minister."

The three include Akira Nagatsuma, 48, a House of Representatives member belonging to the Democratic Party of Japan, who is called "Mr. Pension;" Shigefumi Matsuzawa, 50, governor of Kanagawa Prefecture; and Hiroshi Tanaka, 44, mayor of Yokohama City.

Yamamura praised the three politicians, and said:

"Mr. Obama has power to continue to call for "change" even at a time when he faces a headwind. Japanese lawmakers are generally lacking in such drive, but those three are exceptions."

Yamamura, however, pointed out: "With the current financial crisis, Japanese people are gradually becoming conservative in order to protect their livelihoods. There will not be a 'change boom' for the time being. They should take advantage of this opportunity to stimulate society."

Yamamura also cited the names of Takuro Morinaga, a 15-year-old economic analyst, 51, and Tetsuya Miyazaki, a 46-year-old commentator. He explained:

"In the past, they made extreme remarks on daytime television talk shows, but they have recently talked in a well-balanced manner. They know much about the economy, which is the public's major concern."

Dave Specter, a TV producer, pins his hopes on the 39-year-old Osaka Gov. Toru Hashimoto. He highly praised Hashimoto's positive stance of entering the political world, quitting his law practice and jobs on TV.

However, Specter cited the need for a review of Japan's election system as a 'Japanese version of change.' He said:

"I can't believe that even though young people are asked to participate in politics, the holding of election campaigns using the Internet is not allowed. Since just delivering outdoor speeches is not attractive, capable young people do not aim the sights on entering politics."

Something that is dramatic occurs in an U.S. presidential election, but such does not happen in an election of the Japanese prime minister. This is because there are differences in the political system between Japan and the United States.

Japan has a parliamentary cabinet system and a prime minister is elected from among Diet members. In the case of the Liberal Democratic Party (LDP), party members elected at least five times to the Lower House can become a prime ministerial candidate. Therefore, the LDP Lower House members are required to spend enormous time until becoming prime minister. Shinzo Abe became prime minister at the age of 52, the youngest age in the postwar period. There is nobody who became prime minister in their forties. It is difficult for such to happen in the LDP.

However, in the United States where president is elected directly by the people, politicians like Obama, who do not have much experience in politics, can become president by popular vote. Keiko Iiboshi, a talent and essayist, 45, said: "I felt envy at the United States where anybody has a chance to become president." She then said:

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"Although some Japanese prime ministers have influence even after they resign, U.S. presidents leave politics once they leave office. Unless the Japanese political system is changed to one under which lawmakers defeated in a prime ministerial election would be required to leave the political world, the next generations will not come out."

Iiboshi lamented that she could not find anyone like Obama among Japanese politicians.

There are 19 Diet members who were born in 1961, the same year as Obama.

Diet member born in 1961

Lower House member	Upper House member
Masaaki Akaike (LDP)	Tsutomu Oshima (DPJ)
Tatsuya Ito (LDP)	Kusuo Oshima (DPJ)
Yasushi Kaneko (LDP)	Minoru Kawasaki (DPJ)
Hiroshi Kawauchi (DPJ)	Yoshimasa Hayashi (LDP)
Yukari Sato (LDP)	
Tetsuya Shiokawa (JCP)	
Mikio Shimoji (PNP)	
Hideo Jinpu (DPJ)	
Kaname Tajima (DPJ)	
Sanae Takaichi (LDP)	
Koichi Takemasa (DPJ)	
Hiroshi Hase (LDP)	
Yutaka Banno (DPJ)	
Kenji Wakamiya (LDP)	
Shu Watanabe (DPJ)	

LDP = Liberal Democratic Party

DPJ = Democratic Party of Japan

JCP = Japanese Communist Party

PNP = People's New Party

(5) Japan may be pressed to end policy of prioritizing Japan-U.S. relations

MAINICHI (Page 9) (Full)

November 6, 2008

By Noriko Hama, professor at Doshisha University

The Bush administration has classified countries that agree to its policies as allies and countries opposed to them as enemies, as part of an America-first policy. In contrast, President-elect Barack Obama, who has advocated the need for change in the U.S., seems to be leaning toward multilateralism. Changes also may appear in Japan-U.S. relations. Even if Japan continues to label Japan-U.S. relations as the cornerstone of its foreign policy, as it has done in the days of the Bush administration, the situation could change in that attention will be no longer paid to Japan.

After assuming office in January, "President" Obama will be pressed to deal with such domestic challenges as containing the ongoing financial crisis and avoiding recession. Given this, Japan as a mature country in Asia should take measures to stabilize its economy and to support such emerging countries as Association of Southeast Asian Nations (ASEAN) countries. If Japan fails to become a presence that is relied on by other countries, the weight of their economic

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ties with Japan will drop.

Based on the conventional Democratic Party's policy stance, some observers expect Ozawa to take a protectionist stance in trade policy. Judging from the remarks Obama made in the campaign, however, I do not think he will move to destroy the WTO-centered multinational free-trade structure. Even so, under the gloomy economic situation in the U.S., protectionist pressure is certainly growing to protect domestic auto and other industries. How the Obama administration will be able to balance such problems will be a test of his abilities.

(6) U.S. ambassador negative that there will be delay in Guam-transfer plan

OKINAWA TIMES (Page 2) (Full)

November 7, 2008

(Tokyo)

U.S. Ambassador to Japan Thomas Schieffer yesterday expressed a negative view about a possible delay in the planned transfer of Marines in Okinawa to Guam. In reference to a comment made by Adm. Timothy Keating, commander of the Pacific Command, indicating that there would be a delay in the Marines-transfer plan, Schieffer said: "A postponement (of the timing for the transfer) will not serve U.S.

and Japanese national interests."

The ambassador said: "I don't know what specific construction work has delayed the relocation plan and how the increase in the total transfer cost agreed on between the U.S. and Japan has affected the plan. But I think that if the plan is implemented as soon as possible, superior facilities will be built at a smaller cost."

Asked if the Guam transfer plan and the Futenma relocation plan are a package, the ambassador replied: "We will be happy to move (Marines out of Okinawa to Guam) as quickly as possible, but until a Futenma replacement facility is ready, they cannot move, because that would reduce the capability of the U.S. forces to react to contingencies in the Pacific region."

On the next administration's approach to the realignment of U.S. forces in Japan, Schieffer said in a news conference following Barack Obama's victory in the U.S. presidential election: "No matter who leads the government, the U.S. will naturally implement the measures agreed on between the two countries for the sake of mutual benefits."

Asked about his future course, the ambassador indicated that he would leave his current post with the change of government, remarking: "My tenure will end when the president's term of office expires on Jan. 20.

(7) Slight change in U.S. trade policy likely under Obama administration: Observation in Japan is that pace of liberalization will slow

ASAHI (Page 6) (Full)
November 7, 2008

Barack Obama won the U.S. presidency, putting up reform as his slogan. During the campaign period, he took a protectionist stance

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regarding trade policy, the Democratic Party's traditional stance. However, he is expected to take a pragmatic policy line, once he assumes the presidency. As such, there seems to be a slim chance that the kind of Japan-U.S. trade friction that occurred in the 1990s will reemerge. However, there is concern about trade friction with China.

The Democratic Party, whose support base includes trade unions, is believed to have a strong protectionist tendency. Obama is critical of the Bush's trade liberalization policy. He opposed the free trade agreement (FTA) with South Korea, which has yet to secure Congressional approval, as disadvantageous to U.S. workers.

He also touched on the need to take a second look at the North American Free Trade Agreement (NAFTA) with Canada and Mexico, which is already in force. The multilateral free trade talks (Doha Round) under the World Trade Organization (WTO) broke down with the U.S. confronting India and China in July. He supported the outcome. However, Keio University Professor Fukunari Kimura noted that the prevailing view is that since he took such a stance for the election's sake, he would eventually move closer to the middle of the road.

The new administration is expected to focus on measures to deal with the financial crisis. Masahiro Sakuruchi, Deputy Division Director of the Japan External Trade Organization (JETRO), predicted, "The priority order of trade is low. Trade is a field subject to public criticism. He would not bring it up for the time being." Rikkyo University Professor Kiyohiko Fukushima's projection is: "Since globalization has progressed, no payback can be expected from protectionist measures. Such measures would only slow the pace of liberalization."

Trade friction between Japan and the U.S. intensified during the Clinton administration. However, with the advancement of Japanese companies into the U.S., U.S. trade deficit with Japan, which accounted for about 70 PERCENT of its entire trade deficit in the early 1990s, dropped to a little over 10 PERCENT. Japan Business

Federation (Nippon Keidanren) chairman Fujio Mitarai stressed: "Japanese companies are contributing to the creation of jobs in the U.S. through local production. Now is different from the time when Japan adopted an export-oriented trade policy."

In the meantime, U.S. trade deficit with China topped 30 PERCENT of its entire trade deficits in 2007. One senior Economy, Trade and Industry Ministry official projected, "There will be more occasions in which the two countries will take a joint step over such issues as the protection of intellectual property rights, which Mr. Obama attaches importance."

Will Mr. Obama take a hard-line stance to China?

"I will exercise all diplomatic tools available to me in order to make China change." Obama made this reply to a letter of questions sent by the National Council of Textile Organizations.

He also pointed out, "China's massive current-account surplus is directly linked with exchange operations" and "It will bring about significant imbalance that is undesirable for the global economy. It will also cause problems within China." Obama thus blamed China for its exchange policy." He also emphasized his differences from the Bush administration, which took a cautious approach in identifying

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China as an exchange- manipulating country, by appointing Henry Paulson to serve as treasury secretary.

China has adopted an export-curbing policy in order to ease trade friction. As the financial crisis became serious, its economic growth in the July-September quarter sharply dropped. China has come up with a string of measures to shore up exports since July. The rise in the exchange rate of the yuan, which shot up to 6 points against the dollar in April, came to a halt. It made a month-on-month fall in October.

Zou Gang, deputy chief of the Chinese Foreign Ministry press office during a regular press conference on November 6 rebutted, "We recognize that China has a problem of trade imbalance. However, the U.S. should not lay the blame on China alone, in particular, the exchange rate of the yuan." He continued, "China seeks the continuation of free trade policy. It is wary of the emergence of protectionism." The U.S. and China are in agreement on the need to prevent the financial crisis from spreading further. However, there seems to be little room for the two countries to make concessions for the time being. There is even a possibility of confrontation surfacing due to the change in administration in the U.S.

(8) MSDF education material includes expression, "The Japanese people have been held captive to a slavish mentality"

ASAHI (Page 39) (Full)
November 7, 2008

"The Japanese people have lost confidence. They regard it as taboo to have a sense of patriotism, not to mention speaking of it, and they have been held captive to a slavish mentality."

The above expression is included in reference material formulated by the Maritime Self-Defense Force Staff Office for moral education for its members, it was found in a meeting yesterday of the House of Councillors' Foreign Affairs and Defense Committee. Defense Minister Hamada apologized for it, saying: "The expression gives us a sense of discomfort."

Democratic Party of Japan lawmaker Haku Shinkun, who received a copy of the material in question from the Defense Ministry, said: "I was upset at the word 'senmin -- lowly people' (TN: A kind of slave status in pre-modern Japan). This may be regarded as a sort of discriminatory term. This is a problem." Hamada replied: "We will fully examine the expression and if we judge it inappropriate, we will change the wording."

This material is dated March 2002. The part in question was quoted from a book (published in 1976) authored by a professor at another

university.

(9) Summoning of Tamogami may hurt ruling coalition; His retirement drawing fire

YOMIURI (Page 4) (Abridged slightly)
November 7, 2008

There have been new developments since the dismissal of Toshio Tamogami from the post of Air Self-Defense Force chief of staff due to his essay on the Showa War and other events that were at variance with the government's view. They include the revelation that 78 ASDF

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members submitted essays to the contest in which Tamogami won first prize. The government and the ruling coalition might find themselves in a difficult situation depending on what Tamogami says as an unsworn witness before the House of Councillors Foreign Affairs and Defense Committee on Nov. 11.

78 entries

The government is visibly shocked by the fact that 78 SDF members sent essays to the contest. There is a possibility that the ASDF was systematically involved in the contest.

Vice-Defense Minister Kohei Masuda indicated in a press conference yesterday that the government would conduct a survey with a disciplinary action in mind, saying: "If essays' contents deviated significantly from the government's view, some sort of punitive action might follow."

The Defense Ministry's survey has found that the Air Staff Office had informed ASDF troops across the nation of how to enter the contest as being helpful for brainstorming.

Democratic Party of Japan Upper House Caucus Chairman Azuma Koshiishi indicated that his party would grill the government at the Diet in order to find out if there was a systematic involvement in the essay contest that collected essays from 78 ASDF members.

A former LDP cabinet minister said in a serious tone: "If SDF personnel systemically released unchecked essays running counter to the government's view, that is truly grave from a viewpoint of civilian control."

Unexpected reaction

Before the Upper House Foreign Affairs and Defense Committee yesterday, Defense Minister Yasukazu Hamada announced his intention to ask Tamogami to voluntarily return his retirement allowance.

The ministry's step that allowed Tamogami to retire from the SDF instead of taking disciplinary action against him has drawn fire from both the ruling and opposition camps. "The defense minister finds it necessary to urge the ex-ASDF chief to return his retirement benefits," a government source said.

According to a Defense Ministry source, the ministry, after dismissing Tamogami as ASDF chief of staff on Oct. 31, asked for his concurrence to face disciplinary action by omitting a set of examination prosecutors. But because he indicated that he would fight by expressing his desire to debate whether what he did constituted a violation of disciplinary rules, the ministry gave up the option of taking disciplinary action against him. The ministry announced that Tamogami retired as of Nov. 3, citing the mandatory retirement age.

In the committee meeting yesterday, Defense Minister Hamada explained: "A set of procedures for disciplinary action takes more than 10 months. Salary must be paid during that period, so we decided on the quickest step." Hamada also said regrettably: "We thought he would retire voluntarily as he would acutely sense his heavy responsibility following the demotion from the post of ASDF chief of staff, but that did not happen."

Aso sees no problem in the Defense Ministry's step

In response to a question from a reporter at the Prime Minister's Office last night, Prime Minister Taro Aso indicated that there was no problem in the Defense Ministry's step that allowed Toshio Tamogami, 60, to retire under the age limit, saying: "Because he was removed from office, he needed to abide by the mandatory retirement age rule, and the matter had to be settled at that stage."

Retirement age for ASDF chief of staff is 62 and for lieutenant general is 60. When Tamogami was demoted to lieutenant general on Oct. 31, he was already 60. Aso asked: "Unless he was allowed to retire, the government would have to keep paying his salary. Do you think it's better to keep him?"

(10) TOP HEADLINES

Asahi, Mainichi, Yomiuri, and Tokyo Shimbun:
Toyota forecasts some 70 PERCENT fall in FY 2008 group operating profit; Lowers estimate by 1 trillion yen

Nikkei:

European central banks cut interest rates, IMF projects negative growth in Europe, Japan, U.S. in 2009

Sankei:

Parliamentary league agrees to tighten regulations on foreign capital buyouts

Akahata:

Firing of hardworking temporary employees rampant among large companies, including Mazda, Nissan, and Canon

(11) EDITORIALS

Asahi:

(1) Obama era: Japanese diplomacy also needs change
(2) Moriya sentences to jail term: Defense Ministry has long way to go for rebuilding itself

Mainichi:

(1) Tamogami scandal: Government's responsibility must be clarified
(2) Court ruling on Moriya case signifies something more than crime by vice-defense minister

Yomiuri:

(1) Even Toyota can't escape global woes
(2) Moriya trial: Recurrence of breach of trust must be prevented

Nikkei:

(1) More regional bureaus must be abolished following Prime minister's order
(2) Toyota lowers projected profit by 1 trillion yen

Sankei:

(1) Russia's missile deployment raises unnecessary tension
(2) Amendment to financial function strengthening law requires innovative ideas

Tokyo Shimbun:

(1) Amended financial function strengthening legislation designed to offer fixed-rate assistance raises questions

(2) Moriya ruling: Nature of Defense Ministry must be reexamined

Akahata:

(1) Social security council report calling for consumption tax hike totally unconvincing

(12) Prime Minister's schedule, November 6

07:31

Took a walk around his private residence in Kamiyama-cho.

10:07

Met at Kantei with Decentralization Reform Council Chairman Niwa, joined by Internal Affairs Minister Hatoyama. Met later with Shoko Chukin Bank President Tetsuo Seki, followed by Ambassador to South Africa Ozawa.

11:33

Met with former Swiss President Dyce (TN: phonetic).

12:57

Met with former Prime Minister Abe and former Finance Minister Ibuki in Diet building.

13:02

Attended Lower House plenary session.

14:09

Met at Kantei with Minister of State for Declining Birthrate Obuchi, followed by former Deputy Chief Cabinet Secretary Iwaki.

16:29

Met with Economic and Fiscal Policy Minister Yosano.

17:06

Met with Ambassador to Russia Saito, followed by LDP Administrative Reform Promotion Headquarters chief Chuma.

18:03

Met with Chief Cabinet Secretary Kawamura.

19:12

Dined with secretaries in the restaurant Shima in Nihonbashi MM building.

221:15

Met secretaries at the bar Golden Lion in Imperial Hotel.

23:20

Returned to his official residence.

SCHIEFFER